



Department of Energy
Savannah River Operations Office
P.O. Box A
Aiken, South Carolina 29802

October 31, 2006

TO: Prospective Offerors

SUBJECT: Draft Request for Proposal (RFP) No. DE-RP09-06SR22470 for the Selection of a Management and Operating Contractor for the Savannah River Site (SRS)

This Executive Summary Letter is a summary of the salient elements of the acquisition, but is not an integral part of the attached draft RFP. Should there be any conflict between this Letter and the draft RFP, the data and information in the draft RFP shall prevail.

The Department of Energy (DOE), Savannah River Operations Office is anticipating releasing a RFP for award of a contract for the management and operation of the SRS. DOE will be seeking proposals from qualified organizations interested in competing for this contract. Specific details of the contract performance requirements will be described in the final RFP. At this time, the DOE is seeking comments on the draft RFP which can be found on the Industry Interactive Procurement System (IIPS) at URL <http://e-center.doe.gov>. All questions regarding the draft RFP must be submitted through the "Submit Questions" feature on IIPS. The Government asks that this process be used rather than letters, e-mails, and/or telephone calls. Responses, if required will also be posted on IIPS. All questions on the draft RFP should be submitted by December 8, 2006.

SRS is a 310-square mile DOE industrial facility located in Aiken, Allendale, and Barnwell Counties in South Carolina. SRS is dedicated to environmental management cleanup, developing and deploying technologies to support the cleanup mission, providing capability for supporting the enduring nuclear weapons stockpile, and processing and storing nuclear materials in support of the U.S. nuclear non-proliferation efforts. DOE's Office of Environmental Management (EM) is responsible for the SRS and for cleanup missions and the Savannah River National Laboratory (SRNL). The current EM focus at SRS is on the cleanup of legacy materials, facilities, and wastes left from the Cold War.

SRNL has a three fold mission to support the success of SRS operations; to provide technical leadership for future site missions; and to utilize its technical expertise to provide vital national and regional support in National Security, Energy Security, and Environmental Management. The National Nuclear Security Agency (NNSA) is also present on SRS and is responsible for the nuclear weapons stockpile programs and non-proliferation activities on the Site. Anticipated funding for work under this management and operating contract for FY 2007 for SRS, from all sources, is approximately \$722 million.

In order to further the Government's policy of maximizing electronic commerce and making the acquisition process optimally cost effective, electronic media will be the primary method of communication from the Government regarding this solicitation. The solicitation, solicitation

amendments, responses to questions, and other official communications from the Government will be posted on IIPS. Additional background information is posted at <http://professional.pr.doe.gov/srs/>. Offerors are responsible for checking IIPS and the SRS acquisition document library website frequently for information, notices, and updates regarding this solicitation.

The objective of the solicitation is to select the Contractor most capable of managing and operating the SRS programs and facilities in a technically and financially sound manner. A Source Evaluation Board (SEB) has been established to develop the RFP and to evaluate proposals submitted in response to the RFP. The SEB will conduct its activities in accordance with DOE's regulations and policies. Proposals will be evaluated in accordance with the specific methodology and evaluation criteria set forth in Part IV, Section M of the RFP.

Significant items of interest concerning this solicitation

Offerors are encouraged to pay particular attention to the following aspects of the draft RFP:

Scope of Work. This contract does not include management of the Liquid Waste program at SRS, which is the subject of a separate competitive procurement. Also, Offerors are advised that DOE has identified the following work for prospective separate small business set-aside federal contracts:

- Transportation & Mechanical
- Health and Human Services
- Records Management
- Infrastructure Services
- Information Management Services

Contract Type. DOE will award a single, cost-plus award –fee management and operating contract to the responsible Offeror whose proposal represents the best value to the Government. The Government intends to evaluate proposals and award a contract without discussions with Offerors (except clarifications as described in FAR 15.306(1)). Therefore, the Offeror's initial proposal should contain the Offeror's best terms from a technical and cost or price standpoint. The Government reserves the right to conduct discussions if the Contracting Officer later determines them to be necessary (Refer to Section L, Provision L.1).

Separate Corporate Entity. The work performed under this Contract must be conducted by a separate corporate entity from its parent organization(s). The separate corporate entity must be set up solely to perform this contract and shall be totally responsible for all Contract activities. In addition, the parent Organization(s) or all member organizations shall guarantee the Contractor's performance by signing the Performance Guarantee(s) incorporated in the contract. (Refer to Section H., Clause H-41)

Fee(s), Home Office Expenses. DOE anticipates awarding performance fee under this contract. The total available fee for the six-month period April 1, 2008 – September 30, 2008 shall not exceed \$14,402,055. The total available fee for each annual period of the base contract (FY

2009-FY2012) and the option period (FY 2013-2017) shall not exceed \$28,804,110. The Offeror shall propose the total available fee and fixed fee for each applicable performance period on accordance with the instructions in Section L-3. Home Office expenses, whether direct or indirect, relating to activities of the Contractor are unallowable, except as otherwise specifically provided in the Contract or specifically agreed to in writing by the CO.

Employee Retention, Compensation and Benefits. Subject to the availability of funds, the Contractor shall offer employment to all incumbent employees who, as of the date of Contract award, are in good standing and hold regular appointments, are engaged in the performance or work within the scope of work under this contract and are not considered “discretionary incumbent management employees.” The current listing of these discretionary incumbent management positions is in Section L, Attachment E. The final list of discretionary incumbent management employees will be provided to the winning Offeror shortly after contract award in order to facilitate the hiring process during the transition period.

The contractor shall establish pay and benefit programs for Incumbent Employees and non-Incumbent Employees. The contractor shall provide equivalent pay to incumbent employees as compared to pay provided by Washington Savannah River Company for at least the first year of the Contract. Incumbent Employees will continue to receive their same pension benefits. The contractor shall provide a total package of benefits to Incumbent Employees comparable to that provided by Washington Savannah River Company. All Non-Incumbent Employees shall receive an overall pay and benefits package that provides for market-based retirement and medical benefit plans that are competitive with the industry from which the Contractor recruits its employees and in accordance with Contract requirements.

Small Business Plan. Offerors are required to submit an acceptable Small Business subcontracting Plan with their offer. For purposes of Offerors’ development of the Small Business Subcontracting Plan, the past five years of small business percentages of the current contractor’s Small Business accomplishments has been provided for informational purposes.

Transition Plan. Offerors are required to provide a transition plan for the transition activities, describing the process and planned activities for conducting a safe, orderly transition, minimizing impacts on continuity of operations, identifying key issues and their resolution, and the approach to overcoming barriers.

Transition Cost. Offerors are required to submit a summary by major cost element of the costs to perform the phase-in transition activities specified in the Offeror’s Transition Plan. The transition period will be on a cost-reimbursement (no fee) basis, subject to the cost principles of FAR 31 and DEAR Part 931.

Pre-Solicitation Conference. A pre- solicitation conference is scheduled for 8:00 a.m., TBD, 2006, at TBD. Offerors are encouraged to attend.

Site Tour. A site tour is currently scheduled for TBD in conjunction with the Pre-Solicitation Conference. Prospective offerors interested in attending a site tour must register with the CO, Angela Sistrunk-Morton at a.sistrunk-morton@srs.gov by TBD. Offerors are responsible for

frequently checking the IIPS and the SRS acquisition website <http://professional.pr.doe.gov/srs/> for information on the conference and site tour.

Proposal Due Date. Proposals, and any modifications or revisions, are due on TBD, by TBD p.m., Eastern Standard Time. Proposals shall be submitted in writing. Instructions for submission of proposals are located in Section L. Late proposals, modifications, and withdrawals will be treated in accordance with Provision L-8, FAR 52.215-1 – Instructions to Offerors – Competitive Acquisition (JAN 2004).

Oral Presentations. Oral presentations will be conducted with all proposed Key Personnel for each Offeror as part of the Key Personnel criteria evaluation. DOE will schedule the oral presentations based on a drawing of lots and will notify each Offeror within five working days after the proposal submission date of the date, time, location, and other instructions related to its oral presentation.

Evaluation Criteria. The RFP describes the criteria DOE intends to use in selecting a successful future contractor. Each Offeror's proposal will be evaluated against the following technical evaluation criteria: Key Personnel, Organizational Structure and Management Approach, Technical Management Approach, ES&H, Past Performance, Relevant Experience, and Transition Plan. All technical criteria will be adjectivally rated. The technical evaluation criteria combined are significantly more important than the cost and fee. The cost and fee will not be adjectivally rated, but will be evaluated with respect to cost reasonableness and realism.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen L. Hooker', followed by a horizontal line.

Karen L. Hooker, PhD.
Chair, Source Evaluation Board

Enclosure:
Draft RFP DE-RP09-06SR22470